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Dallas Man Charged in Federal Indictment With Making False and Fraudulent Claims in FEMA Fraud Scheme

United States Attorney Richard B. Roper announced that a federal grand jury in Dallas has returned a three-count indictment charging Dallas resident, Kenneth Reven McClain, a/k/a Roosevelt Hicks, a/k/a Lonnie Smith, a/k/a Keith Perry, a/k/a Paul Linder, a/k/a Corey Arness and a/k/a Jessie, with conspiracy to defraud the United States by aiding in the filing of false claims and two counts of filing false claims against an agency of the United States. McClain, age 22, has been in custody since his arrest on November 30, 2005 on similar charges outlined in a federal criminal complaint.

According to the indictment, beginning in August 2005, Kenneth Reven McClain and others conspired to defraud the United States by obtaining, and aiding one or more individuals to obtain, disaster relief funds from the Federal Emergency Management Agency (FEMA) by submitting false claims representing that their primary residences, located in areas damaged by Hurricanes Katrina and Rita, suffered property damage as a result of the hurricanes. One or more conspirators submitted false and fraudulent claims totaling more than \$10,000.

The indictment alleges that on October 21, 2005 McClain, or an unknown conspirator, applied for immediate disaster assistance from FEMA by telephoning the FEMA emergency assistance hotline, representing that his name was Roosevelt Hicks, that his apartment in New Orleans suffered property damage as a result of Hurricanes Katrina and Rita, and that his current address was 3478 Catclaw Drive in Abilene, Texas. That address however, was a United Parcel Service (UPS) store.

In October or November of 2005, Georgan Jordan, or an unknown female using that alias, contacted an UPS store in Huntsville, Texas, regarding mailed correspondence from FEMA and requested that mail addressed to her from FEMA be forwarded to 12121 Coit Road, Dallas, Texas, which in fact was a Homestead Studio Suites Hotel. During that same time frame, McClain, or an unknown conspirator, faxed an application to the UPS store on Catclaw Drive in Abilene authorizing the forwarding of United States mail addressed to Roosevelt Hicks to 12121 Coit Road in Dallas, the Homestead Studio Suites Hotel.

On November 20, 2005, McClain, using the alias "Jessie," approached an individual at a homeless shelter in Dallas and hired him to stay at the Homestead Studio Suites Hotel and receive packages for "Jessie." Daily, from November 20, 2005 to November 30, 2005, McClain had phone conversations with this

individual about the number and type of packages that had arrived from various UPS stores or other commercial receiving agencies. Each day McClain would travel to the Homestead Studio Suites Hotel and pay the person he had hired approximately \$60.00 for the room and \$15.00 - \$20.00 for expenses and recover the various packages, normally from four to eight per day.

On November 30, the individual that McClain had hired, called McClain and told him that three packages had arrived: (1) a United States Postal Service Express Package from the UPS Store in Abilene, Texas, addressed to Roosevelt Hicks, which included six letters from FEMA, two letters from the U. S. Small Business Administration, and one letter from Partnership for Response and Recovery--all regarding disaster relief assistance relative to an FEMA application submitted in the name of Roosevelt Hicks; (2) a Federal Express Package from the UPS store in Huntsville, Texas, addressed to Georgan Jordan, which included five letters from FEMA and one letter from the U.S. Small Business Administration, and one U.S. Treasury check payable to Georgan Jordan in the amount of \$2358.00 for "Disaster Assistance"; and (3) a United States Postal Service Priority Package from an UPS store in Houston, Texas, addressed to Keith Perry, which included five letters from FEMA and two letters from the U. S. Small Business Administration, and one U. S. Treasury check payable to Keith Perry in the amount of \$2000.00 for "Disaster Assistance." When McClain traveled to the Homestead Suites to pick up the three packages noted above, he attempted to flee the Homestead Suites but was apprehended by law enforcement near the hotel parking lot after a brief foot chase. The affidavit filed with the criminal complaint states that multiple identification cards were in McClain's wallet, including a North Carolina Drivers license for "Keith Perry." The affidavit also states that McClain was identified by his fingerprints to be Kenneth Reven McClain, had several active warrants for his arrest, and NCIC records revealed that he has at least 27 known aliases.

An indictment is an accusation by a federal grand jury and a defendant is entitled to the presumption of innocence unless proven guilty. The conspiracy count carries a maximum statutory penalty of ten years imprisonment and a \$250,000 fine. The false claim counts each carry a maximum statutory penalty of five years imprisonment and a \$250,000 fine.

U.S. Attorney Roper praised the investigative efforts of the U.S. Postal Inspection Service and the Department of Homeland Security - Office of Inspector General. The case is being prosecuted by Assistant United States Attorney Chad E. Meacham.

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